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World Production and Trade

United States
Department of
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Foreign
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Service

Washington, D.C. 20250

Weekly
Roundup

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

South African Corn Displaces U.S. Corn Exports to Taiwan. U.S. corn exports to Taiwan will likely fall as a result of a South African sale of 200,000 metric tons to that market, as well as an offer to sell 200,000 additional tons. Since 1983/84 (October/September), when drought conditions forced South Africa to sharply curtail corn exports, the United States has supplied virtually all of Taiwan's annual corn imports of about 3.0 million tons. Prior to 1983/84, South Africa supplied about one-fourth of these imports. Improved South African production in 1985 and good prospects for increased production in 1986 will give South Africa almost 1.0 million tons of exportable corn for 1985/86 (October/September). As a result, South Africa is currently seeking to renew its grain agreement with Taiwan but trade sources indicate Taiwan is delaying any commitment to a new agreement until after a U.S. grain agreement has been worked out.

OILSEEDS AND PRODUCTS

India Increases Imported Oil Share for Vanaspati Production. In an effort to offset recent price increases for vanaspati and edible oils, India increased the allocation of imported edible oil in vanaspati production, effective April 1. The vanaspati industry can now meet up to 40 percent of its total requirements with imported oils. The previous rate was 30 percent. The percentage of imported edible oil in vanaspati production has varied greatly in the last year with the percentage being as high as 95 and as low as 30 percent. USDA forecasts 1985/86 India soybean oil imports at 250,000 tons compared with last year's level of 398,000 tons.

Hungary Receives World Bank Loan To Expand Oilseed Crushing Capacity. Six oilseed crushing plants in Hungary will be modernized as part of a World Bank project this year. Capacity will be expanded from 700,000 to about 920,000 tons per year. When completed in approximately two years, crushing capacity for various oilseeds will be as follows: sunflowerseed (700,000 tons), rapeseed (120,000 tons) and soybeans (100,000 tons).

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While the additional meal produced will probably fill domestic demand, the oil is expected to be exported. The U.S. agricultural counselor in Vienna expects Hungary to import 620,000 tons of soybean meal in 1986/87, with about one third of that total coming from the United States. Brazil is still the preferred source for soybean meal imports because of price advantages. However, Hungary has reportedly been disappointed with the quality of Brazilian soybean meal. The GSM-102 program has had a positive impact on increasing the U.S. market share in Hungary.

DAIRY, LIVESTOCK AND POULTRY

First Quarter Soviet Livestock Production Report Issued. In the first quarter of 1986, Soviet meat production in the socialized sector was up 7 percent compared with 1985, according to the U.S. agricultural attache in Moscow. This is a sharp drop from the 13-percent rise reported during January-February of this year. In March, total meat production was down 4 percent from year-earlier levels. Beef was down 6 percent in March, pork 2 percent and mutton 14 percent. Only poultry was up 5 percent.

The drop in red meat production in March allowed April 1 live animal inventories to rise. Cattle numbers were up 400,000 head from year-earlier levels, to 97.1 million but cow numbers were down by the same amount. Hog numbers were up 2 percent to 58.8 million head. Sheep and goat numbers were up 500,000 head to 132.6 million. Milk production was up 5 percent in the first quarter with per cow production up 7 percent.

The rise in sheep, goat and cattle numbers and milk output reflects improved forage supplies from a year ago. Pork production, when adjusted for inventory changes, appears to have improved sharply over last year in the first quarter, but the adjusted improvement in March seems to have slowed.

New Zealand Milk Output To Rise. Milk production in New Zealand is expected to reach 8.2 million tons in 1985/86 (June-May), an increase of 3.7 percent from a year ago, according to the U.S. agricultural attache in Wellington. Favorable climatic conditions that promoted forage production, plus a 2-percent increase in the number of cows milked, are responsible for the increase.

Much of the increased milk production is being used to manufacture cheese, whole milk powder and casein. Output of each is expected to increase 10 percent or more. Butter output is expected to increase less than 2 percent while output of nonfat dry milk will decline about 6 percent. Production of butter and nonfat dry milk is being constrained because these products are relatively more difficult to market internationally.

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COTTON

Australia's Cotton Production To Be Slightly Below Last Year.

According to the U.S. agricultural counselor in Canberra, the 1985/86 cotton crop in Australia is estimated at 1.05 million bales, slightly below last year's record 1.13 million bales. Overall weather conditions were excellent during the growing season. Adequate water supplies for irrigation resulted in increased plantings. Harvesting is under way and should be completed by July.

TOBACCO

Zimbabwe's Tobacco Output To Be Up.

According to the U.S. agricultural counselor in Pretoria, the 1986 tobacco crop in Zimbabwe is estimated at 117,022 tons, 8 percent above last year's revised estimate of 108,711 tons. Grower-imposed controls introduced in 1981 to bolster prices continue in operation and have kept production at marketable levels. This season's crop benefited from hot, sunny weather in the latter stages of the growing season, more than compensating for wet, overcast weather during planting time.

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Selected International Prices

Item	:	April 29, 1986	:	Change from	:	A year
	:		:	a week ago	:	ago
ROTTERDAM PRICES 1/		\$ per MT		\$ per bu.		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.		N.Q.		--		196.00
U.S. No. 2 DNS/NS: 14%....		176.00		4.79		+7.00 178.50
U.S. No. 2 S.R.W.10/		120.00		3.26		+6.00 159.00
U.S. No. 3 H.A.D.....		167.00		4.55		+5.00 184.00
Canadian No. 1 A: Durum...		N.Q.		--		-- 189.00
Feed grains:						
U.S. No. 3 Yellow Corn....		113.00		2.87		0 136.00
Soybeans and meal:						
U.S. No. 2 Yellow.....		213.70		5.81		+3.0 241.50
Brazil 47/48% SoyaPellets		193.00		--		-2.00 151.00
U.S. 44% Soybean Meal....		188.00		--		+5.0 148.00
U.S. FARM PRICES 3/						
Wheat.....		121.61		3.31		+4.78 124.55
Barley.....		--		--		-- 85.89
Corn.....		90.16		2.29		+3.9 104.72
Sorghum.....		84.22		3.82 2/		+1.76 97.66
Broilers.....		1147.94		--		+2.20 1042.56
EC IMPORT LEVIES						
Wheat 5/.....		171.10		4.65		+3.25 60.75
Barley.....		164.10		3.57		+3.30 59.05
Corn.....		153.10		3.89		+1.70 50.40
Sorghum.....		159.70		4.06		+3.30 67.00
Broilers 4/ 6/ 8/.....		N.Q.		--		-- --
EC INTERVENTION PRICES 7/ 9/						
Common wheat(feed quality)		192.20		5.39		+1.50 147.90
Bread wheat (min. quality)		210.95		5.74		+1.75 157.20
Barley and all						
other feed grains.....		198.20		--		+1.50 147.90
Broilers 4/ 6/.....		N.Q.		--		-- --
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		N.A.		N.A.		-- 20.40
Barley.....		N.A.		N.A.		-- 40.15
Broilers 4/ 6/ 8/.....		N.Q.		--		-- --

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ July shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis May delivery.